



Vote Agriculture, Biosecurity, Fisheries and Food Safety

Estimates 2021/22

Briefing to the Primary Production Committee

3 and 10 June 2021

Key matters summary

We suggest the Committee focus on the following key matters:

Overview of the Vote pages 4-6

Key matters relating to Food Safety pages 7-10

- [Food safety funding movements](#)

Between Budget 2020/21, the Supplementary Estimates for 2020/21, and Budget 2021/22 there have been significant movements in funding for the individual output classes in the *Food Safety: Protecting Consumers MCA*. The relevant documents are not clear about the reasons for these movements. We suggest the Committee asks about the reasons behind the movements, and the consequences for delivering outputs.

Key matters relating to Fisheries pages 11-15

- [Onboard cameras](#)

In September 2020, the Government announced it would provide financial support for a roll out of onboard cameras across 345 vessels of the inshore fishing fleet by 2024 for monitoring the impact of fishing on protected species. A business case for the roll out is currently being considered. No additional funding to support the roll out has been provided in Budget 2021/22. We suggest the Committees asks about the progress of the business case, how the roll out will be funded, and the main risks and challenges to rolling out onboard cameras.

- [Chief Science Advisor's review of fisheries management](#)

The Office of the Prime Minister's Chief Science Officer released its report *The Future of Commercial Fishing in Aotearoa New Zealand* in February 2021. The report made several recommendations to improve the management of commercial fisheries. We suggest the Committee asks about the Ministry for Primary Industries' (MPI) response to the report, and how they plan to address the recommendations.

For key matters relating to Agriculture, pages 16-21

- [Sustainability initiatives](#)

Budget 2021/22 included two new policy initiatives to support the primary sector in improving its sustainability – 'improving access to integrated farm planning', and 'further funding for agriculture climate change research'. We suggest the Committee asks about the intended effects of these initiatives, and the main deliverables that will be funded through additional research funding.

- [Sustainable Food and Fibre Futures](#)

The spending profile for the *Sustainable Food and Fibre Futures* multi-year appropriation has changed to make more funding available earlier. This appropriation provides co-funding to support the sustainable development of New Zealand's primary industries. We suggest the Committee asks about what changes to the system and processes for administering the Sustainable Food and Fibre Futures Fund, if any, are being made to support the increased spending, and how MPI is ensuring the increased spending is utilised.

- **Funding for compliance with NAIT**

MPI has received further funding for compliance with the National Animal Identification and Tracing (NAIT) system. We suggest the Committee asks what additional improvements in compliance will this funding support, and the challenges in encouraging compliance.

Key matters relating to Biosecurity pages 22-27

- **Mycoplasma bovis**

Budget 2021/22 provides additional one-off funding of \$66.1 million for the response to Mycoplasma bovis. The funding is expected to cover the activities necessary to eradicate the disease, and the design & transition to a long-term surveillance programme. However, it is unclear whether this includes the cost of eradicating the disease from the Five Star Beef Feedlot. We suggest the Committee asks for an update on the planning to eradicate the disease from the Five Star Feedlot, clarification of whether the appropriation in 2021/22 will cover the cost of eradicating the disease from the feedlot, and what additional costs are expected in out-years.

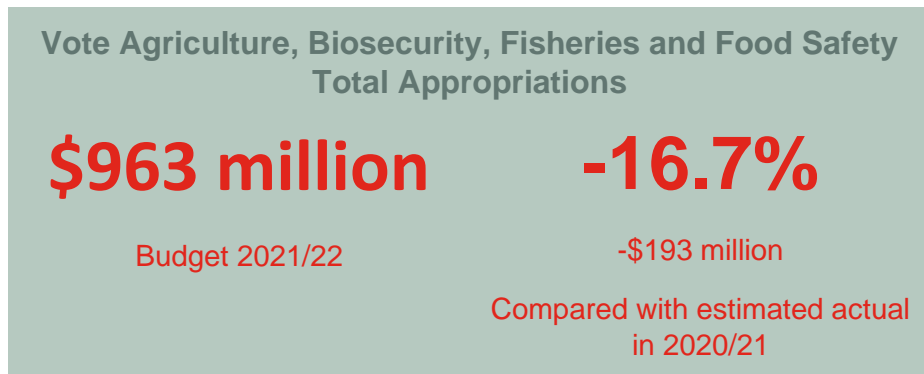
- **Biosecurity at the border**

The closure of the border due to Covid-19 has resulted in less revenue for the two biosecurity memorandum accounts. Consequently, to help reset the accounts, \$95.6 million of accumulated deficits have been written off. Despite this, the Border Traveller Clearance Levies account is forecast to return to a deficit position of \$37.6 million by 30 June 2022. MPI is also progressing a change process for Border Clearance Services and responding to recommendations from a review of the pathway for clearing sea cargo. We suggest the Committee asks about the continuing impact of Covid-19 on the memorandum accounts, progress on the change process for Border Clearance Services, and progress in addressing the recommendations from the cargo pathway review.

- **Protecting Kauri**

Budget 2021/22 provides \$28 million over four years to develop and implement a Kauri Protection National Pest Management Plan. This will contain the Kauri dieback disease until a cure is found. We suggest the Committee asks about challenges in delivering the plan, how the plan's success will be measured, and the progress to date in finding a cure for Kauri dieback.

Overview of the Vote



The Ministry of Primary Industries (MPI) is the only agency that incurs expenditure under Vote Agriculture, Biosecurity, Fisheries and Food Safety. The Ministry is seeking the following outcomes:

- Prosperity – food and primary industries that generate a thriving and sustainable economy for all New Zealanders;
- Sustainability – future generations will benefit from improved environmental performance by New Zealand’s food and primary industries;
- Protection – consumers know and trust that New Zealand’s products are safe, healthy, and ethical, and that MPI protect New Zealand from pests and diseases; and
- Visible Leadership – MPI works in partnership to enable the food and primary industries to thrive.¹

In 2021/22, the Government is seeking total appropriations of \$963 million, including 2021/22 multi-year appropriations, for Vote Agriculture, Biosecurity, Fisheries and Food Safety. This is a decrease of 16.7% from the 2020/21 estimated actual of \$1,155.6 million.² Four Ministers are responsible for appropriations in this Vote:

- Minister of Agriculture;
- Minister of Biosecurity;
- Minister for Oceans and Fisheries; and
- Minister for Food Safety.

Figure 1 shows the breakdown of the Vote by appropriation. The largest appropriation is *Biosecurity: Border and Domestic Biosecurity Risk Management MCA* (41%), followed by *Development and Implementation of Primary Industries Policy Advice MCA* (18%).³

Figure 1: Breakdown of Vote Agriculture, Biosecurity, Fisheries and Food Safety for 2021/22



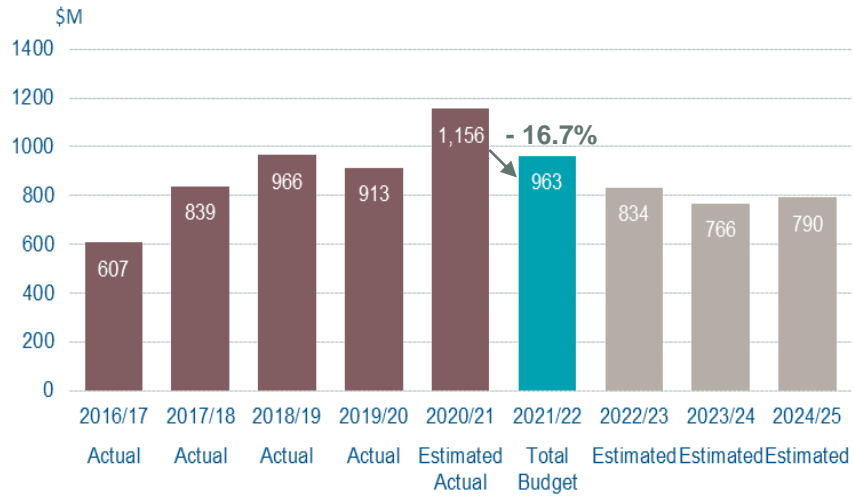
- a new policy initiative of \$5.6 million in 2021/22 (with a further \$31.6 million in outyears) for integrated farm planning across the appropriations *Development and Implementation of Primary Industries Policy Advice MCA*, *Agriculture: Farm Advisor Scheme MYA*, and *Agriculture: Integrated Farm Plan Accelerator Fund MYA*;⁵
- an increase of \$47 million to be used from the *Sustainable Food and Fibre Futures MYA* earlier than previously forecasted;⁶
- no repetition of the one-off funding in 2020/21 of \$40 million to settle with the kiwifruit industry over the PSA-virus incursion;⁷
- a decrease of \$12.7 million in *Covid-19 Assistance for Primary Industries*;⁸ and
- a decrease in capital injections from \$70.2 million in 2020/21 to \$56.5 million in 2021/22. The capital injections for 2021/22 includes funding of \$25 million to maintain essential border biosecurity capacity, \$9.4 million for building resilience and participation to restrengthen biosecurity risk management, and \$8.3 million for rebuilding forestry emission trading scheme infrastructure.⁹

Trend in the Vote

Figure 2 shows the trend in total actual and estimated appropriations for Vote Agriculture, Biosecurity, Fisheries and Food Safety. The most significant changes in Vote Agriculture, Biosecurity, Fisheries and Food Safety in Budget 2021/22 are:

- a decrease in the Biosecurity: Border and Domestic Risk Management MCA of \$155.7 million (28%) mainly because of reduced funding for *Mycoplasma bovis* response and compensation costs as the prevalence of the disease reduces;⁴

Figure 2: Total appropriations for Vote Agriculture, Biosecurity, Fisheries and Food Safety, 2016/17 to 2024/25



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Overview of the Food Safety portfolio



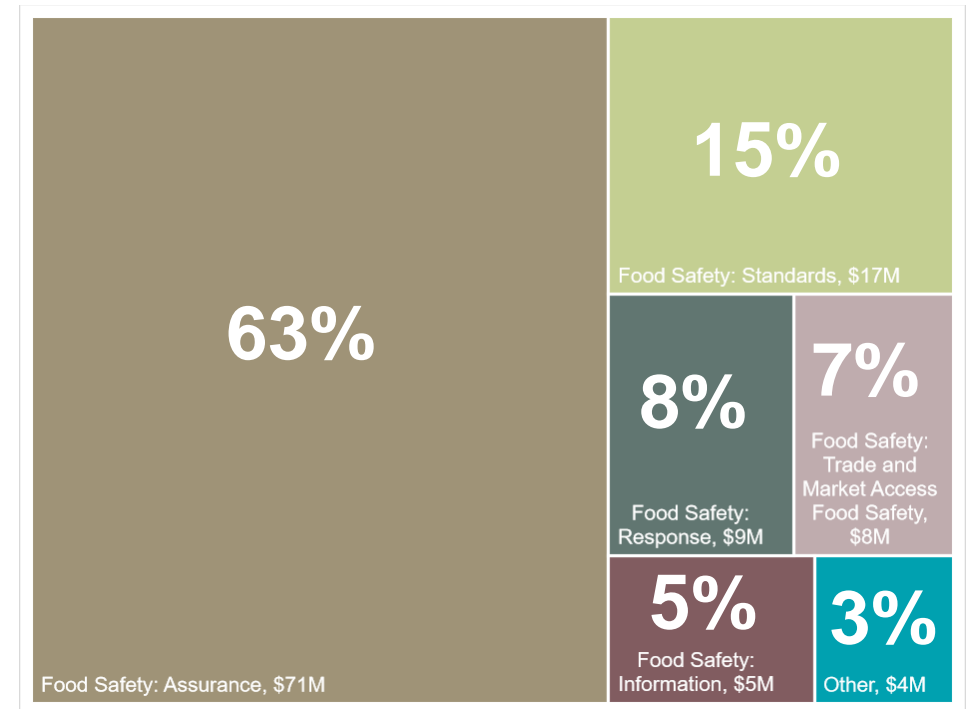
The Hon Dr Ayesha Verrall, Minister for Food Safety, is responsible for the food safety appropriations within Vote Agriculture, Biosecurity, Fisheries and Food Safety.

In 2021/22, the Government is seeking funding of \$124.2 million for food safety:

- policy advice and associated outputs – \$10.1 million;ⁱ and
- *Food Safety: Protecting Consumers MCA* – \$114 million.¹⁰

This compares with the 2020/21 estimated actual of \$125.5 million.¹¹ Figure 3 shows the breakdown of the output expense categories within the *Food Safety: Protecting Consumers* multi-category appropriation.¹²

Figure 3: Breakdown of the *Food Safety: Protecting Consumers MCA* for 2021/22



Note: Other includes the output expense categories of *Food Safety: Science and Research* and *Food Safety: Joint Food Standards Setting Treaty*.

ⁱ The Minister of Agriculture has overall responsibility for the appropriation to provide policy advice and services to Ministers.

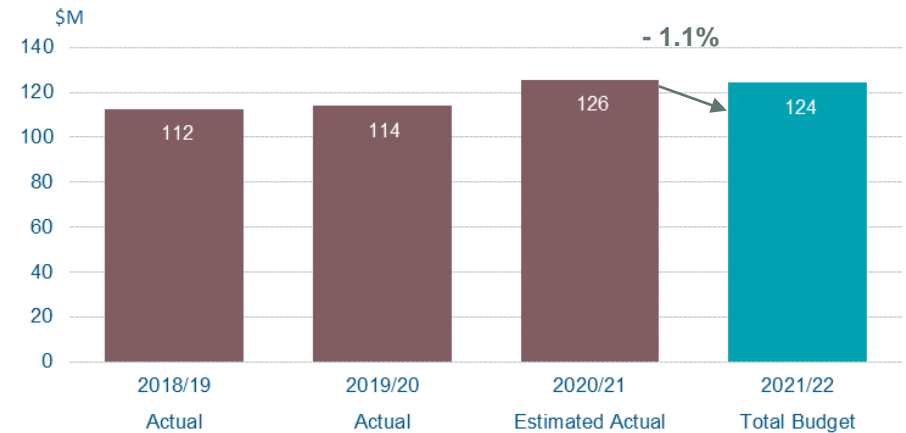
Trend in the appropriations

Figure 4 shows the trend in total actual and estimated appropriations for food safety. The most significant changes from Budget 2021/22 for food safety appropriations, compared with the 2020/21 estimated actual, are:

- a \$2.2 million decrease in the Food Safety: Assurance output class from 2020/21 estimated actual of \$73.6 million to a Budget 2021/22 of \$71.4 million;¹³
- a \$2.8 million (14%) decrease in the Food Safety: Standards output class from 2020/21 estimated actual of \$20.1 million to a Budget 2021/22 of \$17.3 million;¹⁴ and
- funding of \$1.6 million for Food Safety Science and Research.¹⁵ Note that Budget 2020/21 originally included \$1.15 million for Food Safety Science and Research that was reduced to zero in the final budget.¹⁶

The relevant documents are unclear about the reasons for these movements.

Figure 4: Trend in Vote Agriculture, Biosecurity, Fisheries and Food Safety – Food safety related appropriations, 2018/19 to 2021/22



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Key matters for Food Safety: Further information

Food safety funding movements

Figures 5 and 6 below shows significant movements in funding for the individual output classes between original Budget 2020/21, Supplementary Estimates for 2020/21, and Budget 2021/22.¹⁷ However, the relevant documents are unclear about the reasons for these movements.

Figure 5: Changes between Budget 2020/21 and Supplementary Estimates 2020/21

Output class	Budget 2020/21	Supplementary Estimates 2020/21	Percentage difference
Food Safety: Assurance	71,585	73,619	+2.8%
Food Safety: Information	3,116	5,536	+77.7%
Food Safety: Response	6,825	9,619	+40.9%
Food Safety: Standards	25,385	20,069	-20.9%
Food Safety: Trade and Market Access Food Safety	7,449	7,619	+2.3%
Food Safety Science and Research	1,150	0	-100%
Food Safety: Joint Standards Setting Treaty	2,100	2,100	0%

Figure 6: Changes between Budget 2020/21 and Budget 2021/22

Output class	Budget 2020/21	Budget 2021/22	Percentage difference
Food Safety: Assurance	71,585	71,371	-0.3%
Food Safety: Information	3,116	5,474	+75.7%
Food Safety: Response	6,825	8,696	+27.4%
Food Safety: Standards	25,385	17,247	-32.1%
Food Safety: Trade and Market Access Food Safety	7,449	7,538	+1.2%
Food Safety Science and Research	1,150	1,600	+39%
Food Safety: Joint Standards Setting Treaty	2,100	2,100	0%

The Committee may wish to ask the Minister of Food Safety:

The Committee notes that there have been significant movements in the funding of output classes within the *Food Safety: Protecting Consumers* appropriation.

- What are the reasons behind the movements in output classes?
- What has been the overall impact on food safety operations because of reprioritisation of funding within the appropriation?
- What is the anticipated impact for 2021/22 of reduced funding for Food Safety: Standards?
- Has any research into food safety been delayed because of the funding being reduced to zero in 2020/21?

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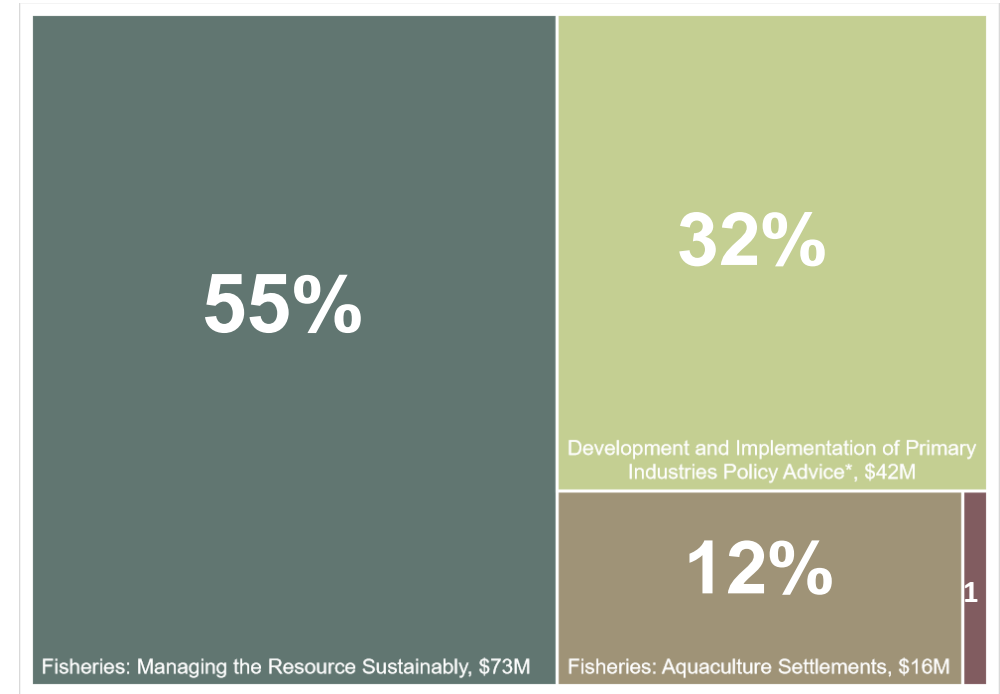
Overview of the Fisheries portfolio



The Hon David Parker, Minister for Oceans and Fisheries, is responsible for the fisheries appropriations within Vote Agriculture, Biosecurity, Fisheries and Food Safety.

In 2021/22, the Government is seeking funding of \$132 million for fisheries (including policy advice and associated outputs).ⁱⁱ This compares with 2020/21 estimated actual of \$129.9 million.¹⁸ Figure 8 shows the main components of the fisheries related appropriations. The multi-category appropriation *Fisheries: Managing the Resource Sustainably MCA* is the largest component (55%).¹⁹

Figure 8: Breakdown of the Vote Agriculture, Biosecurity, Fisheries and Food Safety – Fisheries appropriations for 2021/22



Note: The Development and Implementation of Primary Industries Policy Advice MCA only includes policy and ministerial servicing that relates to the fisheries portfolio. 1 refers to *Fisheries: Provision for Fisheries Debt Write Downs*.

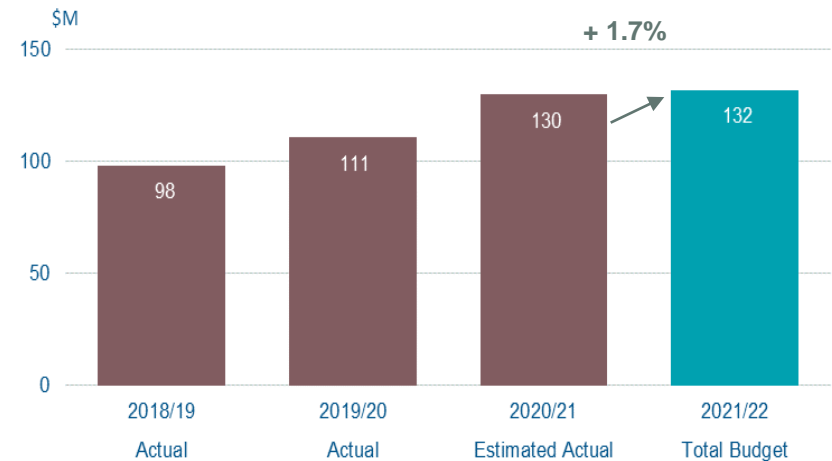
ⁱⁱ The Minister of Agriculture has overall responsibility for the appropriation to provide policy advice and services to Ministers.

Trend in the appropriations

Figure 9 shows the trend in total actual and estimated appropriations for fisheries. The most significant changes from Budget 2021/22 for the fisheries appropriations are:

- funding of \$16.2 million for *Fisheries: Aquaculture Settlements* being carried forward from 2020/21;²⁰
- a decrease of over 25% in budgeted funding for the Fisheries: Aquaculture output class from 2020/21 estimated actual of \$4.2 million to Budget 2021/22 \$3.1 million;²¹
- an additional \$3 million (compared to 2020/21 estimated actual of \$53.3 million) for the Fisheries: Enforcement and Monitoring output class;²² and
- the ending of the \$7.1 million per annum transition support for the fisheries sector to reduce the impact of sustainability measures.²³

Figure 9: Trend in Vote Agriculture, Biosecurity, Fisheries and Food Safety – Fisheries appropriations, 2018/19 to 2021/22



The supplementary estimates for 2020/21 included \$13.7 million over four years (from 2020/21 to 2023/24) for the Hector and Maui Dolphin Threat Management Plan Review: Fisheries Measures.²⁴

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Key matters for Fisheries: Further information

Onboard cameras

In 2019, MPI rolled out onboard cameras on set-net and trawl vessels that fish in the west coast of the North Island, an area with a high fishing risk to Hector and Maui dolphins.²⁵ As at March 2021, 19 vessels have an onboard camera.²⁶ Funding of \$6.9 million for camera monitoring in high-risk areas for Hector and Maui dolphins was agreed in June 2020.²⁷

In September 2020, the Government announced it would provide financial support for a rollout of onboard cameras to about 345 vessels of the inshore fishing fleet by 2024. This would cover all inshore areas where fishing poses significant risk for protected species.²⁸ The *Briefing to the Incoming Minister* stated that the continued roll-out would be subject to a business case and consultation.²⁹ The business case for onboard cameras is currently under consideration.³⁰

No additional funding to support this has been provided in Budget 2021. We understand that instead the financial support for the further rollout of onboard cameras will rely on reprioritisation of other funding.

The Committee may wish to ask the Minister of Oceans and Fisheries:

The Committee notes that a business case for rolling out onboard cameras across the inshore fishing fleet is currently under consideration.

- What is the timeline for a decision to be made on the business case?
- How are the costs of the roll out expected to be funded?
- What are the main risks to rolling out onboard cameras? How are they being mitigated?

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Chief Science Advisor’s review of fisheries management

The Future of Commercial Fishing in Aotearoa New Zealand

The Office of the Prime Minister’s Chief Science Advisor released its report *The Future of Commercial Fishing in Aotearoa New Zealand* in February 2021. The review aimed to create a vision for commercial fisheries in Aotearoa New Zealand in 2040 supported by knowledge-driven management and an ecosystem approach.³¹ The topics out of scope of the review were quota ownership, Crown obligations, aquaculture, recreational fishing including catch reporting, and customary fishing.³²

The report made recommendations covering seven themes – three focused on the wider fisheries context, and four focused on commercial fisheries as shown in Figure 7.³³

Figure 7: Themes and recommendations

Area	Theme
Context	Strengthened leadership – ensure cohesive oversight of all marine activities within Aotearoa New Zealand’s territorial sea and EEZ to allow holistic management of the marine domain and productive, sustainable fisheries.
	A bold Oceans Strategic Action Plan – develop a Oceans Strategic Action Plan for 2040 with a clear integrative framework to prioritise, coordinate, implement and measure outcomes to achieve 100% sustainably managed oceans.
	Te ao Māori/A connected worldview in 2040 and beyond – successful application of an ecosystem approach to fisheries management must take a holistic, long-term approach that considers future generations.
Commercial fisheries	A refined set of regulatory tools – refine the framework for fisheries management to support more responsive and transparent decision making to improve fisheries and environmental outcomes.
	A data platform that enables informed commercial and environmental decision making – create a platform that facilitates integration of data from a range of sources, compiles datasets in an accessible centralised platform, and turns them into information that can be readily applied.
	An ecosystem approach to fisheries management is embraced within the current regulatory framework – transition the fisheries management system to an ecosystem approach through supporting and resourcing the expansion and uptake of wider ecosystem monitoring and driving a shift towards more ecosystem-friendly fishing methods.
	Research and innovation are maximised – take a more holistic and strategic approach to research and innovation in the marine domain to enable innovation to thrive and support more sustainable fishing.

Measuring sustainability of the fisheries

The overall outcome performance measure for the *Fisheries: Managing the Resource Sustainability* appropriation is that 80% of the scientifically evaluated fish stocks have no sustainability issues.³⁴

However, as highlighted by the report, many fish stocks are not measured, including 31% of the catch by volume, and some assessments used in determining the sustainability of a fish stock can be over ten years old.³⁵

The Committee may wish to ask the Minister of Oceans and Fisheries:

The Committee notes that the Prime Minister's Chief Science Advisor has completed a report into commercial fishing in New Zealand and made several recommendations.

- What is MPI's response to the recommendations?
- How does MPI plan to address the recommendations? How will it be funded?

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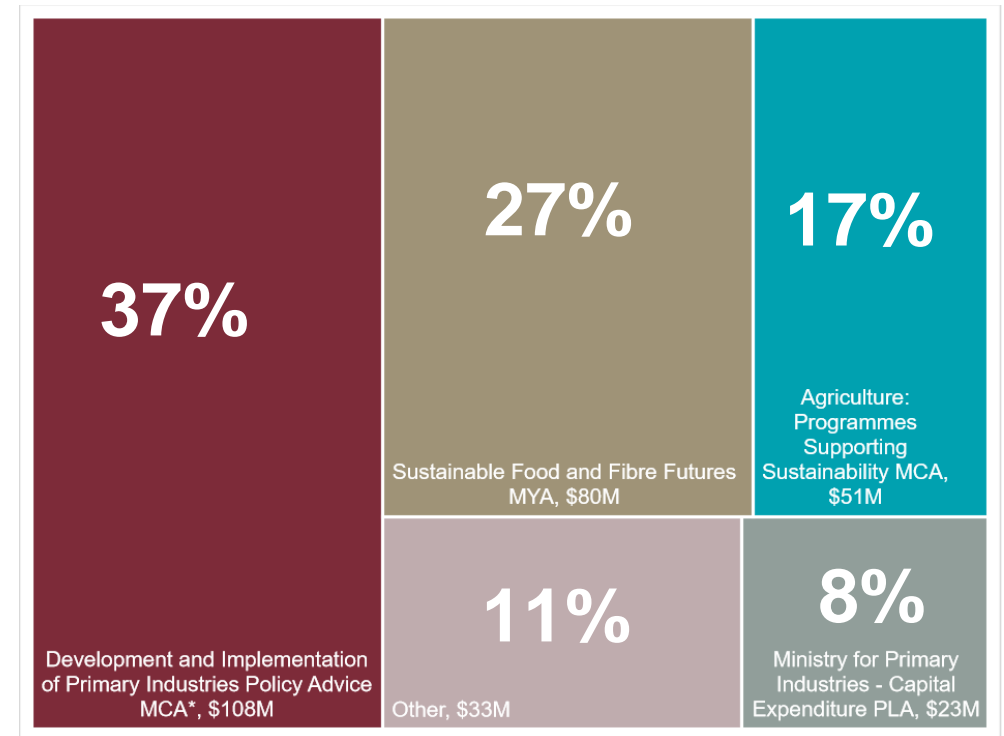
Overview of the Agriculture portfolio



The Hon Damien O'Connor, Minister of Agriculture, is responsible for the agriculture appropriations within Vote Agriculture, Biosecurity, Fisheries and Food Safety. The Hon Meka Whaitiri is the Associate Minister of Agriculture (Animal Welfare).

In 2021/22, the Government is seeking funding of \$293.8 million for agriculture (including policy advice and associated outputs). This compares with the 2020/21 estimated actual of \$293.5 million.³⁶ The Minister also has overall responsibility for \$173.5 million to provide policy advice and services to relevant primary industry Ministers.³⁷ Figure 8 shows the main components of the agriculture related appropriations.

Figure 8: Breakdown of the Vote Agriculture, Biosecurity, Fisheries and Food Safety – Agriculture related appropriations for 2021/22



Note: The Development and Implementation of Primary Industries Policy Advice MCA excludes policy and ministerial servicing for non-agriculture portfolios.

Trend in the appropriations

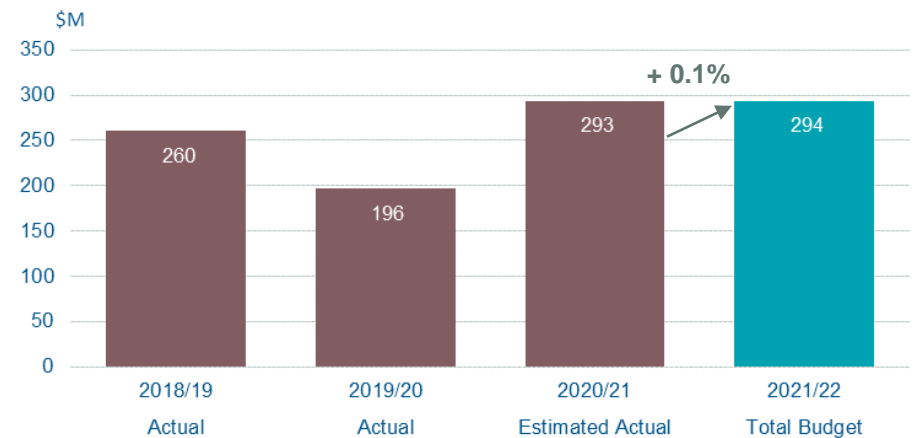
Figure 9 shows the trend in total actual and estimated appropriations for agriculture. The most significant changes from Budget 2021/22 for the agriculture appropriations are:

- an estimated spend of \$79.8 million in 2021/22 from the *Sustainable Food and Fibre Futures MYA*, compared to the 2020/21 estimated actual of \$44 million in 2020/21;³⁸
- a new policy initiative of \$5.6 million in 2021/22 (with a further \$31.6 million in outyears) for integrated farm planning across the appropriations *Development and Implementation of Primary Industries Policy Advice MCA*, *Agriculture: Farm Advisor Scheme MYA*, and *Agriculture: Integrated Farm Plan Accelerator Fund MYA*;³⁹
- a decrease of \$12.7 million in *Global Research Alliance on Agricultural Greenhouse Gases MYA*, compared to the 2020/21 estimated actual;⁴⁰
- a new policy initiative of \$5.6 million each year from 2021/22 to 2024/25 to maintain primary industry compliance and enforcement of the National Animal Identification and Tracing Scheme under the *Agriculture: Programmes Supporting Sustainability MCA*, *Animal Welfare: Education and Enforcement output expense class*.⁴¹ This continues the previous one-year initiative from Budget 2020/21, funding for maintaining

compliance in the National Animal Identification and Tracing Scheme;⁴² and

- a decrease of \$12.7 million in *Covid-19 Assistance for Primary Industries*.⁴³

Figure 9: Trend in Vote Agriculture, Biosecurity, Fisheries and Food Safety – Agriculture appropriations, 2018/19 to 2021/22



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Key matters for Agriculture: Further information

Sustainability initiatives

Budget 2020/21 included two initiatives to support the primary sector in improving its sustainability – improving access to integrated farm planning, and further funding for agriculture climate change research.

Integrated Farm Planning

Integrated farm plans provide a framework for farmers to meet all on-property regulatory requirements. Budget 2021/22 includes a new initiative of \$37.2 million from 2021/22 to 2024/25 for integrated farm planning. This funding is allocated across the appropriations *Development and Implementation of Primary Industries Policy Advice MCA*, *Agriculture: Farm Advisor Scheme MYA*, and *Agriculture: Integrated Farm Plan Accelerator Fund MYA*.⁴⁴ The initiative is meant to build on existing systems and frameworks to ensure up to 40,000 farmers and growers have access to effective farm planning to improve on-farm performance and meet freshwater and greenhouse gas regulatory requirements by 2025.⁴⁵

Figure 10: Budgeted and Estimated funding for a national integrated farm planning system, 2021/22 to 2024/25

Appropriation	Budget 2021/22	Estimated 2022/23	Estimated 2023/24	Estimated 2024/25
Development and Implementation of Primary Industries Policy Advice MCA	3,842	6,448	4,801	3,725
Agriculture: Farm Advisor Scheme MYA	480	3,202	1,347	650
Agriculture: Integrated Farm Plan Accelerator Fund MYA	1,320	3,300	4,710	3,390
Total	5,642	12,950	10,858	7,765

The aim of the Farm Advisor Scheme is to rapidly increase the number of skilled farm advisors that support farmers in developing integrated farm plans.⁴⁶ The Integrated Farm Plan Accelerator Fund is to co-fund projects that result in a significant increase in the number of farmers adopting integrated farm plans.⁴⁷

Additional funding to reduce greenhouse gases from agriculture

Budget 2021/22 provides for further funding of \$24 million (\$11 million in *Vote Business, Science and Innovation* and \$13 million in *Vote Agriculture, Biosecurity, Fisheries and Food Safety*) over four years (2021/22 to 2024/25) to help accelerate and expand research for options to reduce greenhouse gases from agriculture. These options will then help the primary sector meet its methane and carbon emissions goals.⁴⁸

The portion funded through *Vote Agriculture, Biosecurity, Fisheries and Food Safety* consists of \$10 million under the *New Zealand Agricultural Greenhouse Gas Research MYA* and \$3 million under *Agriculture: Programmes Supporting Sustainability MCA*.⁴⁹ The estimated spending in 2020/21 under *New Zealand Agricultural Greenhouse Gas Research MYA* is over 80% more than the 2020/21 estimated actual.⁵⁰

The Committee may wish to ask the Minister of Agriculture:

The Committee notes the new policy initiative to support the uptake of integrated farm plans.

- What are the barriers to farmers and growers adopting integrated farm plans?
- How does this initiative reduce them?
- How much faster will the adoption of integrated farm plans be because of this initiative?

The Committee notes the additional funding to reduce greenhouse gases from agriculture.

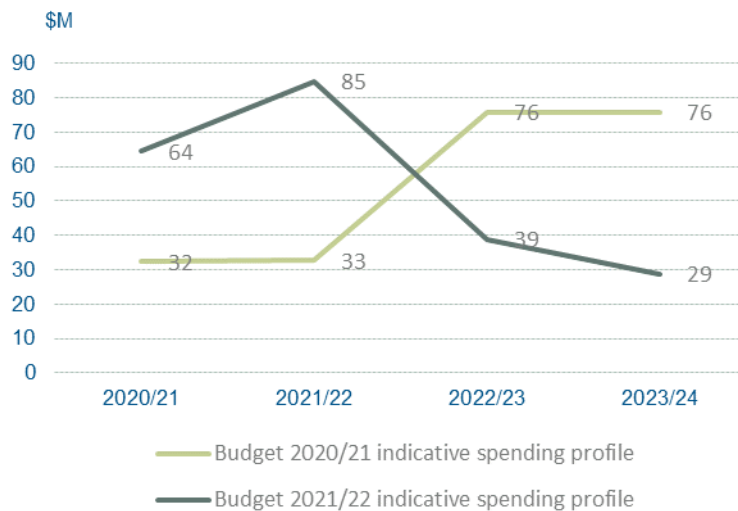
- What changes to systems and processes for administering funding for research are planned or have been made to deliver the increase in funding?
- What are the main initiatives that will be funded through the additional funding?

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Sustainable Food and Fibre Futures

The *Sustainable Food and Fibre Futures* multi-year appropriation provides co-funding to support sustainable development of New Zealand’s primary industries.⁵¹ Figure 10 shows the indicative annual spending profile for the *Sustainable Food and Fibre Futures* multi-year appropriation has changed to increase the funding available earlier.⁵²

Figure 10: Indicative spending profile of the Sustainable Food and Fibre Futures MYA, Budget 2020/21, and Budget 2021/22



The aim of bringing forward funding is to ‘further increase the pace of industry innovation, value growth, and sustainability improvement.’ It would also allow progress to be made on priorities, such as developing and implementing a strategic roadmap for the wool sector.⁵³

The Sustainable Food and Fibre Futures system administered by MPI is expected to be reconfigured and increased to deliver the increase in funding. Any increase in operational funding required will come from the *Sustainable Food and Fibre Futures* multi-year appropriation.⁵⁴

The Committee may wish to ask the Minister of Agriculture:

The Committee notes that Budget 2021/22 brings forward estimated spending from the *Sustainable Food and Fibres Futures* multi-year appropriation.

- What changes to the systems and processes for administering the Sustainable Food and Fibre Futures Fund are planned or have been made to deliver the increase in funding?
- What are the main challenges in ensuring the increased funding is accessed and used by the primary sector? How is MPI working to reduce those barriers?
- Are any changes being made to the criteria/s for accessing the Sustainable Food and Fibre Futures Fund? If so, what are they?

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Funding for compliance with NAIT

Poor compliance with the National Animal Identification and Tracing (NAIT) system increased the difficulty in eradicating *Mycoplasma bovis*.⁵⁵ In its briefing to the Committee, OPSRIⁱⁱⁱ stated that its joint compliance work with MPI has demonstrated positive indicators of improved compliance.⁵⁶

Budget 2021/22 provides further funding of \$22.5 million over four years (2021/22 to 2024/25) to maintain MPI's capability to enforce the National Animal Identification and Tracing Act 2012. The aim is to ensure the national animal tracing system is reliable and supports the eradication of *Mycoplasma bovis*.⁵⁷ This follows one-off funding in Budget 2019/20 of \$5.69 million for the same purpose.⁵⁸

The Committee may wish to ask the Minister of Agriculture:

The Committee notes that Budget 2021/22 proposes to provide the Ministry for Primary Industries with an additional funding of \$22.5 million over four years to maintain its capability to enforce the National Animal Identification and Tracing Act 2012.

- What additional improvements in compliance will this funding support? What is the targeted level of compliance?
- What are the challenges in encouraging compliance with National Animal Identification and Tracing system?

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ⁱⁱⁱ OPSRI (Operational Solutions for Primary Industries) is a partnership between primary industries and the government. They manage two national programmes – National Animal Identification and Tracing, and TBfree.

Overview of the Biosecurity portfolio



The Hon Damien O'Connor, Minister for Biosecurity, is responsible for the biosecurity appropriations within Vote Agriculture, Biosecurity, Fisheries and Food Safety.

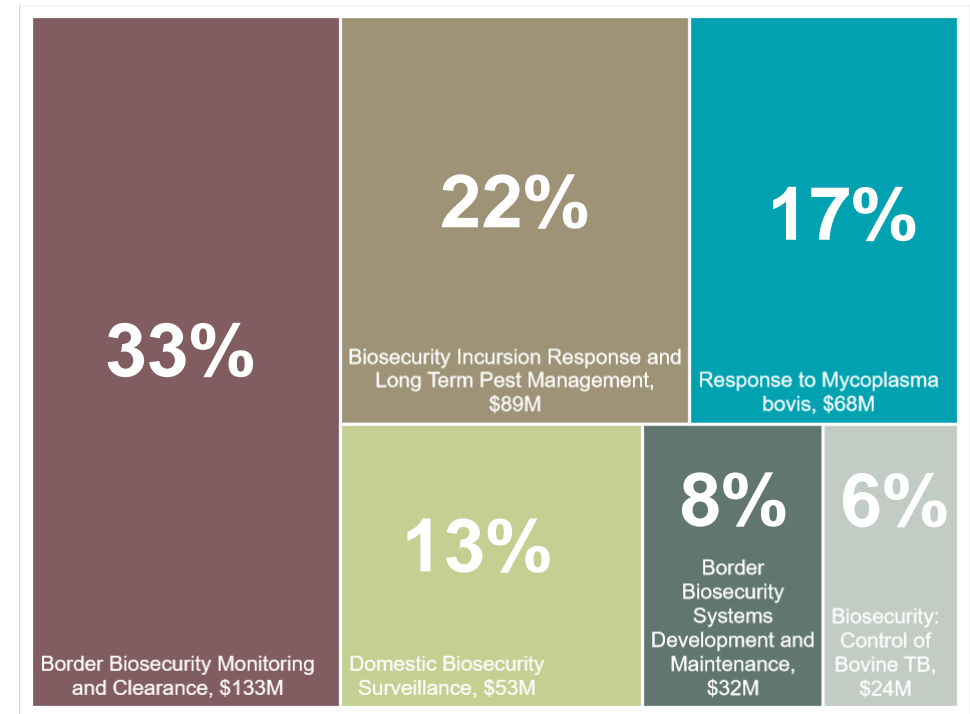
In 2021/22, the Government is seeking funding of \$412.5 million for biosecurity:

- policy advice and associated outputs – \$13.4 million;^{iv} and
- *Biosecurity: Border and Domestic Biosecurity Risk Management MCA* – \$399.1 million.⁵⁹

This compares with the 2020/21 estimated actual of \$606.8 million.⁶⁰

Figure 11 shows the breakdown of the output expense categories within the *Biosecurity: Border and Domestic Biosecurity Risk Management* multi-category appropriation.⁶¹

Figure 11: Breakdown of the *Biosecurity: Border and Domestic Biosecurity Risk Management MCA* for 2021/22



During 2020/21, the *Settlement of Litigation* appropriation was created for the \$40 million settlement with the kiwifruit industry over the PSA-virus incursion.⁶²

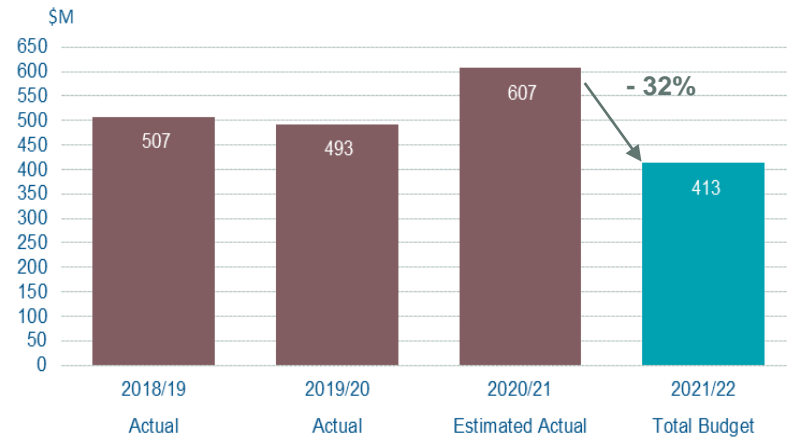
^{iv} The Minister of Agriculture has overall responsibility for the appropriation to provide policy advice and services to Ministers.

Trend in the appropriations

Figure 12 shows the trend in total actual and estimated appropriations for biosecurity. The most significant changes from Budget 2021/22 for the biosecurity related appropriations are:

- a decrease of \$158.3 million in Mycoplasma bovis response and compensation costs to \$68.3 million (2020/21: \$226.6 million estimated actual);⁶³
- a new policy initiative for protecting and preserving Kauri of \$8 million in 2021/22 (with a further \$20 million in outyears);⁶⁴
- ending of one-off funding in 2020/21 of \$40 million to settle with the kiwifruit industry over the PSA-virus incursion;⁶⁵ and
- a capital injection of \$25 million for maintaining essential border biosecurity capacity.⁶⁶

Figure 12: Trend in Vote Agriculture, Biosecurity, Fisheries and Food Safety – Biosecurity appropriations, 2018/19 to 2021/22



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Mycoplasma bovis

Moving into the surveillance phase

In 2021/22, one-off funding of \$66.1 million is provided for under the *Border and Domestic Biosecurity Risk Management MCA* – response to *Mycoplasma bovis* output class.⁶⁷ The funding is expected to cover surveillance testing, restricting animal movements, culling herds of confirmed cases, and providing compensation and support to affected farmers. It also funds the design and transition to a long-term surveillance programme.⁶⁸

In terms of compensation for *Mycoplasma bovis*, Cabinet agreed in 2020/21 to transfer up to \$50 million from the *Biosecurity: Border and Domestic Border Security Risk Management MCA* to 2021/22.⁶⁹

It is unclear whether the additional funding includes the cost of eradicating *Mycoplasma bovis* from the Five Star Feedlot. In its answers to post annual review hearing questions, MPI stated that the Chief Science Adviser John Roche is working on a plan for the Five Star Feedlot. It also advised that a full eradication plan is required before costs can be accurately projected.⁷⁰

The Committee may wish to ask the Minister for Biosecurity:

The Committee notes the additional funding in Budget 2021/22 for response and compensation for *Mycoplasma bovis*. The Committee also notes that the funding is time limited.

- What progress has been made in developing a plan to eradicate *Mycoplasma bovis* from the Five Star Feedlot?
- What is the expected cost of eradicating *Mycoplasma bovis* from the Five Star Feedlot? Is this cost included in Budget 2021/22? Is it to be covered by the transfer of up to \$50 million from 2020/21 to 2021/22?
- What is the forecast timeframe for eradication of *Mycoplasma bovis*? What additional costs does MPI forecast from 2022/23 onwards to complete the eradication of *Mycoplasma bovis*? What is the breakdown of these costs?

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Biosecurity at the border

Reset of the memorandum accounts

The closure of the border due to Covid-19, resulted in less revenue for the two biosecurity border related memorandum accounts – Border Biosecurity Clearance Fees (for cargo) and Border Biosecurity Traveller Clearance Levies (for passengers). As a result, Cabinet agreed to a capital injection of \$60 million in 2019/20 and \$80 million in 2020/21 to enable the Ministry for Primary Industries to meet its cash-flow requirements.⁷¹

Cabinet has subsequently approved using these capital injections to recover accumulated deficits as at 30 June 2021.⁷² In total, \$95.6 million has been written off, predominately from the Border Traveller Clearance Levies memorandum account.⁷³ Despite the accumulated deficits for both memorandum accounts being reset at zero, the Border Traveller Clearance Levies account is forecast to return to a deficit position \$37.9 million by 30 June 2022.⁷⁴

Change process

In its answers to post annual review hearing questions MPI advised the Committee that it had started a change process in January 2021 for Border Clearance Services. At that time, it expected that a decision document for the proposed changes would be agreed in July 2021.⁷⁵

The Committee may wish to ask the Minister for Biosecurity:

The Committee notes the impact of the border closures due to Covid-19 on revenue for the biosecurity border memorandum accounts. The Committee also notes a change process is currently underway for Border Clearance Services.

- What assumptions has MPI made about the continuing impact of Covid-19 on the border when forecasting 2021/22 revenue for the memorandum accounts?
- What progress has been made on the change process for Border Clearance Services? When does MPI expect any changes to be finalised and implemented?
- How is MPI working with other border agencies to take a whole-of-border view when considering changes for Border Clearance Services?

Review of the cargo pathway

In April 2021, MPI released a July 2019 review into how it manages biosecurity threats from sea cargo. The review found that although the biosecurity system had operated effectively, it is under threat. This is because MPI was too heavily focused on tactical or immediate outcomes for several reasons, including the need to clear inbound cargo, the impact of the Brown Marmorated Stick Bug season, and increasing threats and cargo volume. Therefore, the reviewers concluded that Biosecurity New Zealand (a business unit of MPI) needed to transform itself to build a biosecurity system that is fit for purpose.⁷⁶

The review's 68 recommendations included changes to cargo clearance processes, a more strategic approach for making investment decisions and measuring the performance of the biosecurity system, having the right tools to analyse data for intelligence and making risk assessments, more engagement with industry, and updating the Biosecurity Act 1993 (MPI had already started this process in July 2019).⁷⁷

In response to the recommendations, MPI established the Sea Cargo Pathway Renewal Programme. Other activities MPI have done include:

- restructured Biosecurity New Zealand to strengthen accountability and enable system-wide thinking;
- established a Digital Data and Technology Governance Board to provide stronger oversight of significant technology investments; and
- put in place a work programme to improve the management of transitional facilities.⁷⁸

The Committee may wish to ask the Minister for Biosecurity:

The Committee notes the recommendations from the 2019 review of the cargo pathway, and MPI's response to the review.

- What progress has MPI made in addressing the recommendations from the review?
- What is the expected timeline for addressing the recommendations? How will MPI measure its effectiveness in addressing the recommendations?
- What impact will the changes have on the amount of resources MPI dedicate to managing biosecurity risks from passengers compared to cargo?

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Protecting Kauri

Budget 2021/22 provides \$28 million over four years (2021/22 to 2024/25) of funding under the Biosecurity Incursion Response and Long Term Pest Management output class for finalising and implementing a Kauri Protection National Pest Management Plan.⁷⁹ The plan will help provide a national and prioritised response to Kauri dieback. The aim is to contain the disease until a cure is found.⁸⁰

The Committee may wish to ask the Minister for Biosecurity:

The Committee notes the new policy initiative of \$28 million to contain Kauri dieback until a cure is found.

- What is the timeline for finalising a Kauri Protection National Pest Management Plan?
- What are the challenges in delivering the plan? How is MPI working to mitigate those challenges?
- How will the success of the plan be measured?
- What progress has been made to date on finding a cure for Kauri dieback?

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Contact for further explanation

For further explanation of any aspect of this briefing, please contact Charles Fitzgerald, Sector Manager, Parliamentary Group on 04 917 1500 or email Charles.Fitzgerald@oag.parliament.nz.

Glossary

The following information is sourced from the Estimates, and *A Guide to Appropriations*.⁸¹

Appropriation	A parliamentary authorisation for the Crown or an Office of Parliament to incur expenses and capital expenditure, for a specified purpose. Appropriations are limited by their scope (limits on what the appropriation can be used for), amount (the maximum amount of expenditure allowed), and period (the timeframe over which the appropriation applies – usually annual but in some cases multi-year or permanent).
Appropriation administrator	The appropriation administrator is: (a) in relation to an appropriation made to the Crown, means the department that administers the appropriation on behalf of the appropriation Minister; and (b) in relation to an appropriation made to an Office of Parliament, means that Office of Parliament.
Appropriation Minister	The Minister responsible for specific appropriations within a Vote. As several Ministers may be responsible for different appropriations within a single Vote, each appropriation has a tag (M1, M2... etc) identifying the Minister responsible for that line item.
Benefits or related expenses appropriations	Non-departmental
	Authorises expenses to be incurred by the Crown (excluding departments) in transferring resources (generally to individuals for their personal benefit) for which the Crown receives nothing directly in return. Examples include Jobseeker Support and Emergency Benefit, Student Allowances and various scholarships and awards.

Capital expenditure appropriations	Departmental
	Authorises capital expenditure to be incurred by a department to acquire or develop assets for use by the department. Departmental capital expenditure funded from a department's balance sheet (proceeds of the sale or disposal of any of its assets together with any working capital held) is authorised by a permanent legislative authority (PLA), under the PFA. The department can seek additional funding for capital expenditure (shown as capital injections in the Capital Injections Authorisations table in the Estimates for a Vote, and also in the Capital Injections and Movements in Departmental Net Assets table in the supporting information to the Estimates for a Vote). Capital injections to departments need to be authorised by Parliament in an Appropriation Act.
Capital Injections and Movements in Departmental Net Assets	Non-departmental
	Authorises capital expenditure to be incurred by the Crown (excluding departments) to acquire or develop Crown assets, including the purchase of equity or making a loan to a person or organisation that is not a department. Examples include equity injections for Crown entities, and Residential Care Loans to older people.
Multi-category appropriation (MCA)	A schedule showing the opening balance, projected movements, and closing balance of a department's net assets. Specifically, it includes the details of any retained surplus, capital injections, or withdrawals. The primary purpose is to show how capital injections relate to movements in departmental net assets.
	Authorises expenses or capital expenditure to be incurred on two or more categories of output expenses, other expenses or non-departmental capital expenditure, all of which must contribute to the same single overarching purpose.

Multi-year appropriation (MYA)	An appropriation that allows expenses or capital expenditure to be incurred during a specified period that spans the whole or parts of more than one financial year, but no more than five financial years. The MYA component estimated for the relevant year is not in the annual and permanent appropriations table, but is shown in a separate table for total annual, permanent and multi-year appropriations. The total amounts shown in that table are consistent with the amounts shown in the summary of financial activity table [Table 1.2] for the Vote.
Other Expense appropriations	Departmental
	Authorises expenses to be incurred by a department not related to producing outputs. An example is expenses incurred in writing off assets damaged or destroyed in earthquakes.
	Non-departmental
	Authorises expenses to be incurred by the Crown (excluding departments) that are not output expenses, benefits, or borrowing expenses. An example is the cost of providing international development assistance.

Output Expense appropriations	Departmental
	Authorise expenses to be incurred by a department in providing a class or type of outputs (goods and services).
	Non-departmental
	Authorises expenses to be incurred by the Crown (excluding departments) in purchasing a class or type of outputs (goods and services) from Crown entities or other third parties.
Responsible Minister	The Minister responsible for the financial performance of a department or Crown entity. The Speaker is the responsible Minister for an Office of Parliament, the Office of the Clerk and Parliamentary Service.
Vote	A grouping of one or more appropriations which are the responsibility of one or more Ministers and are administered by one department.

¹ Standard Estimates Questionnaire 2021/22 Vote Agriculture, Biosecurity, Fisheries and Food Safety (Fisheries), May 2021, page 3, Q2.

² The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 10.

³ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 4-9.

⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 5-6, and 42.

⁵ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 12.

⁶ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 30-31.

⁷ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 4.

⁸ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 4.

⁹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 18.

¹⁰ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 7.

¹¹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 6-8.

¹² The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 54.

¹³ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 54.

¹⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 54 and 57.

¹⁵ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 54.

¹⁶ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 54; The Estimates of Appropriations 2020/21 - Primary Sector B.5 Vol. 9, page 53.

¹⁷ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 54; The Estimates of Appropriations 2020/21 - Primary Sector B.5 Vol. 9, page 53.

¹⁸ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 4 and 6-7.

¹⁹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 7.

²⁰ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 26.

²¹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 50.

²² The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 50.

²³ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 49-50.

²⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 52.

²⁵ [Cameras on vessels to ensure sustainable fisheries](#), media release, June 2019.

²⁶ 2019/20 Annual review (post hearing) Ministry for Primary Industries, March 2021, page 9, Q173.

²⁷ Wellbeing Budget 2021: Securing Our Recovery, May 2021, page 60.

²⁸ [Cameras rolled out further across fishing fleet](#), media release, September 2020.

²⁹ Ministry for Primary Industries/Tini a Tangaroa Portfolio Briefing 2020, page 51.

³⁰ Standard Estimates Questionnaire 2021/22 Vote Agriculture, Biosecurity, Fisheries and Food Safety (Fisheries), May 2021, page 8, Q7.

³¹ The Future of Commercial Fishing in Aotearoa New Zealand, February 2021, page 9.

³² The Future of Commercial Fishing in Aotearoa New Zealand, February 2021, page 10.

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- ³³ The Future of Commercial Fishing in Aotearoa New Zealand, February 2021, pages 15-26.
- ³⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 50.
- ³⁵ The Future of Commercial Fishing in Aotearoa New Zealand, February 2021, pages 140-145.
- ³⁶ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 4-10.
- ³⁷ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 45.
- ³⁸ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 9.
- ³⁹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 12.
- ⁴⁰ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 9.
- ⁴¹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 11.
- ⁴² The Estimates of Appropriations 2020/21 - Primary Sector B.5 Vol. 9, page 11.
- ⁴³ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 4.
- ⁴⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 12.
- ⁴⁵ Wellbeing Budget 2021: Securing Our Recovery, May 2021, page 59.
- ⁴⁶ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 22.
- ⁴⁷ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 23.
- ⁴⁸ Wellbeing Budget 2021: Securing Our Recovery, May 2021, page 59.
- ⁴⁹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 11.
- ⁵⁰ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 19.
- ⁵¹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 29.
- ⁵² The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 31.
- ⁵³ Funding to Support the Primary Sector's COVID-19 Recovery Roadmap – Fit for a Better World: Accelerating our Economic Potential (DEV-20-MIN-0113), June 2020, Appendix Four.
- ⁵⁴ Funding to Support the Primary Sector's COVID-19 Recovery Roadmap – Fit for a Better World: Accelerating our Economic Potential (DEV-20-MIN-0113), June 2020, Appendix Four.
- ⁵⁵ Ministry for Primary Industries Biosecurity Portfolio Briefing 2020, page 71.
- ⁵⁶ OSPRI Update – Primary Production Committee, April 2021.
- ⁵⁷ Wellbeing Budget 2021: Securing Our Recovery, May 2021, page 60.
- ⁵⁸ The Estimates of Appropriations 2020/21 - Primary Sector B.5 Vol. 9, pages 34-35.
- ⁵⁹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 5-6.
- ⁶⁰ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 5-6.
- ⁶¹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 38.
- ⁶² The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 4.
- ⁶³ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, pages 5-6.
- ⁶⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 11.
- ⁶⁵ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 4.
- ⁶⁶ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 11.
- ⁶⁷ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 11.
- ⁶⁸ Wellbeing Budget 2021: Securing Our Recovery, May 2021, page 60.
- ⁶⁹ Standard Estimates Questionnaire 2021/22 Vote Agriculture, Biosecurity, Fisheries and Food Safety (Agriculture/Biosecurity), page 15, Q11.
- ⁷⁰ 2019/20 Annual review (post hearing) Ministry for Primary Industries, March 2021, page 20, Q211.
- ⁷¹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 43.
- ⁷² The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 43.
- ⁷³ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 43.
- ⁷⁴ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 43.
- ⁷⁵ 2019/20 Annual review (post hearing) Ministry for Primary Industries, March 2021, page 9, Q1184.
- ⁷⁶ Strengthening Cargo: Review of the Sea Cargo Pathway, page 2.
- ⁷⁷ Strengthening Cargo: Review of the Sea Cargo Pathway, pages 8-49.
- ⁷⁸ Ministry for Primary Industries website, [Sea cargo pathway review](#), accessed 21 May 2021.
- ⁷⁹ The Estimates of Appropriations 2021/22 - Primary Sector B.5 Vol. 9, page 11.
- ⁸⁰ Wellbeing Budget 2021: Securing Our Recovery, May 2021, page 60.
- ⁸¹ Published by the Treasury in November 2013.